

Prepared Statement of
The Honorable Craig Duehring
Principal Deputy Assistant Secretary of Defense
Reserve Affairs

Before the
House Veterans Affairs Committee
Economic Opportunity Subcommittee

2:00 PM
March 22, 2007

Craig W. Duehring

Principal Deputy Assistant Secretary of Defense for Reserve Affairs

Mr. Duehring is the Principal Deputy Assistant Secretary of Defense for Reserve Affairs. He also performs the duties of acting Assistant Secretary of Defense for Reserve Affairs in the absence of the ASD/RA. He was selected effective July 23, 2001.

As the Principal Deputy, Mr. Duehring serves as the senior deputy to the Assistant Secretary of Defense for Reserve Affairs in policy development and overall supervision of the Reserve forces of the armed forces of the United States. He is the chief staff advisor to the assistant secretary for all functional areas and responsibilities assigned to the office.

Previously, Duehring served on the Bush-Cheney Transition Team and the Department of Defense Transition Team. He was the executive director of the Patrick Henry Center for Individual Liberty, a non-profit 501 (c)(3) educational and charitable foundation located in Fairfax, Virginia. Duehring was the endorsed Republican candidate for the Minnesota 2nd Congressional District in 1998. He is a 28-year military veteran, retiring as a colonel in the U.S. Air Force in February 1996. His final military assignment was as the U.S. Air Attaché to the Republic of Indonesia.

He is a decorated combat pilot, completing over 800 missions during the Vietnam War as a Forward Air Controller. Duehring has flown more than a dozen types of aircraft, amassing over 1,200 hours in the A-10 Thunderbolt II. His military awards and decorations include the Silver Star, the Defense Superior Service Medal, two Distinguished Flying Crosses, three Meritorious Service Medals, 27 Air Medals, two Air Force Commendation Medals, the Vietnamese Cross of Gallantry (individual award), and the Vietnamese Staff Service Honor Medal (1st Class). Duehring is also a recipient of the Air Force's highest individual award for leadership in the senior officer category, the Lance P. Sijan (SIGH-john) Award.

Duehring holds a bachelor of science in History and Sociology from Minnesota State University at Mankato, and a master of science in Counseling and Guidance from Troy State University.

He is a native of Mankato, Minnesota.



INTRODUCTION

Chairwoman Herseth and subcommittee members, thank you for the opportunity to testify about the educational assistance programs that have been so effective in helping the Department achieve its force management objectives while providing our service members with a valuable benefit that helps them achieve their educational goals. Today, we are here to discuss changes to the two Reserve educational assistance programs—the Montgomery GI Bill for the Selected Reserve (MGIB-SR) and the Reserve Educational Assistance Program (REAP). These two programs were designed as incentives to encourage members to remain in the Selected Reserve. Today, we will discuss, among other issues, whether the reserve educational assistance programs also should provide a post-service education benefit. I would first like to briefly describe the Selected Reserve force today, how the two reserve educational programs—as they exist today—help us maintain that force, and then describe various changes to these programs we would like to make.

MONTGOMERY GI BILL FOR THE SELECTED RESERVE

Just under 50 percent of members serving in the Selected Reserve today are within their eight-year military service obligation. Even those with a remaining service obligation, unless they have committed to service in the Selected Reserve in exchange for an incentive, can transfer to the Individual Ready Reserve at any time. Thus, incentives are an important tool in manning reserve units. To illustrate, the typical Infantry Brigade Combat Team (BCT) is made up of 313 officers of which 76 percent are company grade officers and 3,439 enlisted personnel of which 82 percent are E-5s or below. Data show that the majority of enlisted personnel (75%) who use MGIB-SR benefits are E-4s or E-5s, and the vast majority of enlisted personnel are pursuing an

undergraduate degree (90%). Company grade officers are the predominate users of the MGIB-SR program (70%) with 95 percent of officers pursuing an undergraduate or graduate degree. This is the target population we need to man our force.

To sustain the All-Volunteer Force, particularly in the Guard and Reserve where the majority of Selected Reserve members may quit at any time, we need every tool available to get members to commit to service in the Selected Reserve. The Montgomery GI Bill for the Selected Reserve (MGIB-SR) helps us do that by requiring a member to commit to six years of service in the Selected Reserve to gain eligibility for MGIB-SR benefits. Of the 326,000 Selected Reserve members who made that commitment and are currently eligible for MGIB-SR benefits, 182,000 (56%) are within their six-year service obligation.

RESERVE EDUCATIONAL ASSISTANCE PROGRAM

The new Reserve Educational Assistance Program (REAP) was developed to reward Guard and Reserve members who are being asked to serve more frequently and for longer periods. It was designed to provide a richer educational benefit to Guard and Reserve members who serve in support of a contingency operation. A member who serves as few as 90 days is eligible for \$430 a month in educational assistance for up to 36 months. The only requirement is that the member continues to serve in the Selected Reserve, or Ready Reserve if the member was serving in the Individual Ready Reserve (IRR) when he or she was called to active duty. The benefit level increases to as much as \$860 per month if the member serves for two years. This is actually a richer benefit than the active duty MGIB benefit for two years of active duty service. This is because the reserve member does not have a payroll deduction to become eligible for the REAP benefit.

Our most recent survey data show that 81 percent of reservists were full-time employees when they were activated. Twenty-eight percent reported that they did not return to the same employer, while eight percent were not in the work force at the time they were activated. The survey data also show that 26 percent of reservists were enrolled in a civilian education program at the time of their most recent activation with approximately two thirds enrolled as full-time students.

A TOTAL FORCE GI BILL

Last year, Congress heard testimony urging the Congress to consolidate the three separate educational assistance programs into a “Total Force GI Bill.” In fact, legislation has already been introduced that would place the two reserve programs in title 38 along with making some modifications to each program. The Department strongly supports changes to the reserve educational assistance programs that help sustain the Reserve components and the All-Volunteer Force. But we adversely affect retention by offering a post-service benefit that is more attractive than the benefit available to those who remain in the force. We need to find a way to balance force management objectives while wisely using limited appropriations so we get the greatest return on tax-payer dollars.

Certainly almost any program can be improved and we share your interest in ensuring that the educational assistance programs provide a robust benefit for the users, while giving the Department of Defense the tools it needs to meet force management objectives. There are a number of variations on a “Total Force” GI Bill. But, all of these proposals appear to have two common characteristics. First, the reserve education programs would be recodified in title 38 of the U.S. Code; placing them under the purview of the Secretary of Veterans Affairs. Second, the REAP program would provide a post-service benefit for Selected Reserve members.

The original concept of a “Total Force GI Bill” was to create a single program drawing from the best attributes of all three educational assistance programs. But if the programs are to continue to serve the distinct purposes for which they were designed, it may be difficult to truly have one program. Those who call for a single program simply view military service as the pathway to an education benefit, losing sight of the fact that educational assistance programs help us retain members. All the proposals we have reviewed to date do not integrate the three programs; they simply remain three separate and distinct stand-alone programs that would be codified (and modified) in title 38.

Some commonality among all of the programs makes sense. They should all provide assistance for the same education programs so, other than the amount paid, use of any program is transparent to the student and educational institution. This can be achieved by linking the benefits available in the title 10 programs to the benefits provided in the title 38 programs, just as we did when we linked the benefit rates for the title 10 REAP program to the title 38 MGIB rates.

The first proposal to establish a total force GI bill was submitted to Secretary Nicholson by the Veterans Advisory Committee on Education (VACOE). Secretary Nicholson and Dr. Chu established a DVA/DoD working group to assess feasibility of that proposal. The working group has a number of concerns with the VACOE proposal so they developed an alternative proposal, which they presented to the Joint Executive Council. We have learned from the efforts of the working group that small changes in current education programs can translate to significant costs to the government. Therefore, at the last meeting of the Joint Executive Council, the working group was directed to more closely examine the recruiting and retention effects of the various attributes of a single program and to develop a cost-neutral alternative. For that reason, the

working group report has not been officially released. But I would like to report that the working group has developed some intriguing ideas.

PORTABILITY AND THE RESERVE PROGRAM BENEFIT RATES

We are in a different time and the force is different than it was during World War II and Viet Nam. Today we have an All-Volunteer Force. People have made a choice to serve in the Guard or Reserve. As “citizen-soldiers,” they serve part-time. As previously noted, eighty percent of reservists were employed full-time when activated and twenty-six percent were enrolled in school. Reintegration and readjustment are important to citizen-soldiers, particularly to those reservists who were not in the workforce when mobilized or change jobs. They have the opportunity to use their education benefits while still enjoying the benefits of continued service. We only require that they come to work for us 38 days a year during the first couple of years following a one-year mobilization. But, as the data show, most reservists are not beginning a new career when they are released from active duty, unlike their active duty counterparts. Our concern with providing portability is the loss of a tool that helps us retain our combat veterans. We need an incentive that encourages them to stay, not to leave. Our focus is on maintaining the All-Volunteer Force. That is why we find the retention aspects of both the reserve educational assistance program such an important attribute.

The MGIB-SR benefit rates have been adjusted annually according the Consumer Price Index, as provided in statute. This is the index used for both the MGIB program and the MGIB-SR program. But this annual adjustment has not kept pace with the cost of education. The widening gap between the rates paid under MGIB and MGIB-SR programs is the result of adjustments made to one program but not the other. To restore the historic relationship between the two programs, the Department estimates it would cost just over \$13 billion over the next five

years. While this is discretionary spending, the Reserve components are required to place funds in the DoD Education Benefit Fund—money that is also needed to increase readiness, fund modernization and purchase vital equipment.

LEGISLATION SUBMITTED BY THE DEPARTMENT

The Department's 2008 Omnibus legislation that has been submitted to Congress includes a proposal that would allow a Selected Reserve member to continue to receive REAP payments for up to 90 days while serving in the Individual Ready Reserve (IRR) and retain eligibility for REAP for members who remain in the IRR longer than 90 days. They would once again be able to begin using benefits when they return to the Selected Reserve.

CONCLUSION

Few areas, if any, are more important to the Secretary of Defense and the Secretaries of the Military Departments than recruiting and retention. We recognize our duty to fill the All-Volunteer Force with high-quality, motivated, and well-trained men and women. Education benefit programs have been a major contributor to recruiting and retention achievements over the past 20 years. It is our desire that any changes to these programs would only be undertaken if they improve recruitment, retention, force shaping and ultimately help us sustain the All-Volunteer Force.

We welcome the opportunity to discuss these important matters with Congress and I look forward to working with your committees to ensure that these programs remain robust. I would again like to thank the committee for its continued support of the men and women of the Armed Forces.